

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representatives Present During the Inspection:						
Company	Mike Davis					
OGM	Pete Hess Environmental Scientist III					

Inspection Report

Permit Number:	C0410002		
Inspection Type:	PARTIAL		
Inspection Date:	Thursday, August 18, 2005		
Start Date/Time:	8/18/2005 9:40:00 AM		
End Date/Time:	8/18/2005 12:55:00 PM		
Last Inspection:	Tuesday, July 12, 2005		

Inspector: Pete Hess, Environmental Scientist III

Weather: <u>Sunny, clear; cool, 60's F.</u> InspectionID Report Number: 693

Accepted by: whedberg 9/1/2005

Permitee: CANYON FUEL COMPANY LLC Operator: CANYON FUEL COMPANY LLC

Site: SUFCO MINE

Address: 397 S 800 W, SALINA UT 84654

County: SEVIER

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

Mineral Ownership Types of Operations

24,632.95	Total Permitted	✓ Federal	Underground
27.36	Total Disturbed	✓ State	Surface
	Phase I	☐ County	Loadout
	Phase II	Fee	Processing
	Phase III	Other	Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee continues to meet the Special Permit Condition included as Attachment "A" of the current State permit, which is to submit surface and ground water monitoring in an electronic form to the Division EDI web site.

There are no compliance actions currently pending for the SUFCO Mine permit area.

The Permittee anticipates initiating a longwall move from the 3 Left Pines East longwall panel into the 4 Left panel on August 26th.

Inspector's Signature Date Friday, August 19, 2005

Pete Hess, Environmental Scientist III Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable. b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
 Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale	✓		✓	
2.	Signs and Markers	✓			
3.	Topsoil				
4.a	Hydrologic Balance: Diversions	✓			
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures	✓		✓	
4.d	Hydrologic Balance: Water Monitoring				
4.e	Hydrologic Balance: Effluent Limitations				
5.	Explosives				
6.	Disposal of Excess Spoil, Fills, Benches		✓		
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓		✓	
8.	Noncoal Waste	✓			
9.	Protection of Fish, Wildlife and Related Environmental Issues	✓		✓	
10.	Slides and Other Damage		✓		
11.	Contemporaneous Reclamation		✓		
12.	Backfilling And Grading	✓			
13.	Revegetation				
14.	Subsidence Control	✓		✓	
15.	Cessation of Operations		✓		
16.8	a Roads: Construction, Maintenance, Surfacing	✓			
16.	o Roads: Drainage Controls	✓			
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations	✓		✓	
19.	AVS Check				
20.	Air Quality Permit	✓		✓	
21.	Bonding and Insurance				
22.	Other	✓		✓	

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1. Permits, Change, Transfer, Renewal, Sale

The Permittee is close to submitting the response to the Division relative to the eleven deficiencies which were identified by the midterm permit review process.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Permittee, in conjunction with the Utah Division of Water Quality, has installed a device referred to as a "barley boom" in the mine site sediment pond. As the barley decomposes in the water, it supposedly impedes the growth of algae in the pond.

4.c Hydrologic Balance: Other Sediment Control Measures

The Permittee has added additional freeboard on the berm located on the SE corner of the leach field located in the lower Canyon. All silt fences which were inspected were capable of functioning as designed.

7. Coal Mine Waste, Refuse Piles, Impoundments

The piles which had been placed on the active lift of the waste rock pile have been leveled and compacted. There was not any noncoal waste visible within the material. There were no hazardous conditions noted during today's inspection.

9. Protection of Fish, Wildlife and Related Environmental Issues

The Permittee, in conjunction with the USFS will be installing three "guzzlers" in the Wildcat area of the Manti-LaSal National Forest on August 29, 2005. SUFCO Mine will provide a backhoe and an operator for the project. The purpose of the guzzlers is to provide water for wildlife. The FS contact person for this project is Mr. Kevin Albrecht @ 435-636-3563. The Permittee has a "draft" version of Mr. Keith Zobell's vegetation report covering the riparian area in the Link Canyon channel. This is an annual report which will monitor the effect of the lack of ground water discharge from the Link Canyon intake portal.

14. Subsidence Control

The Permittee's 2004 Annual Subsidence report for the SUFCO Mine permit area was reviewed on August 15, 2005. Same includes a map, and an analysis of thirteen areas which are monitored over the Mine workings. The analysis was prepared by Mr. John Black, Chief Surveyor for the Permittee. Of the 13 areas being monitored, nine are considered dormant. Area 12 is the area in which both primary and secondary coal extraction are actively occurring. Area 12, as shown on Map 1, shows ground settlement ranging from five to seven feet in the center of the three longwall panels depicted. Map 1 is P.E. certified by Mr. John Byers, Manager of Tech Services for the Permittee.

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18. Support Facilities, Utility Installations

The Permittee has completed the constuction of the new master control center building in the tipple area. The wiring of the various electrical components within that building remains to be completed. The Permittee has already updated the surface facilities map and the reclamation bond for the new structure.

20. Air Quality Permit

The Permittee was operating oscillating sprinklers to wet the paved road surface in the tipple area this day. The Permittee is considering purchasing a sweeper/vacuum truck to keep coal fines on the paved areas to a minimum.

22. Other

Ark Land Company, (a subsidiary of ARCH Coal) has initiated the exploration activities in the SITLA Muddy Tract lease of the permit area. The surface management agency is the USFS. The road use permit, decision memo, and special use permit all received FS approvals on or by August 11, 2005.